

HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR.
DÁVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
T. ISSAC HOWELL
MAGAN F. CAUSEY

(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

OF COUNSEL
WILLIAM G. CONLY

July 16, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation, Reservoir A, and Cotton Valley
Formation, Reservoir A, BETHANY-LONGSTREET
FIELD, DeSoto Parish, Louisiana.

Dear Sir:

BEUSA ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir A, and to the Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize a substitute unit well for HOSS RA SU19 at the location shown on an attached plat.
2. To authorize Applicant to drill, designate and utilize three (3) alternate unit wells for HOSS RA SU18 and for CV RA SU79 at the locations shown on attached plats.
3. To authorize Applicant to drill, designate and utilize three (3) alternate unit wells for HOSS RA SU87 and for CV RA SU86 at the locations shown on attached plats.
4. To authorize Applicant to drill, designate and utilize an alternate unit well for HOSS RA SU34 and for CV RA SU56 at the location shown on attached plats.
5. To approve an exception to the spacing provisions of Office of Conservation Order No. 289-A-g-3, effective October 7, 1977 (applicable to the Hosston Formation, Reservoir A), and Office of Conservation Order No. 289-J, effective March 1, 1974 (applicable to the Cotton Valley Formation, Reservoir A), for any of the above described wells the location of which, as shown on an attached plat, does not comply with the spacing provisions of said Orders.
6. To find that each of the proposed substitute and alternate unit wells is necessary to efficiently and economically drain a portion of the hydrocarbons underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

7. To permit the Operator of the units on which alternate unit wells are proposed to be drilled to produce the allowables assigned to such units from either the unit or substitute unit well, any alternate unit well, or from any combination of such wells, at the option of the Operator.

8. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A, with production from the Cotton Valley Formation, Reservoir A, in any well drilled on the following units in which the interests in these units is identical: (a) HOSS RA SU19 and CV RA SUJ; (b) HOSS RA SU34 and CV RA SU56; and (c) HOSS RA SU33 and CV RA SU55.

9. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289, effective October 1, 1954, and was further defined in Office of Conservation Order No. 289-A-g-2, effective April 14, 1977.

The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289-J, effective March 1, 1974, and was further defined in Office of Conservation Order No. 289-J-1, effective April 14, 1977.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

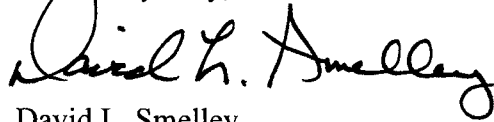
Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bethany-Longstreet Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Honorable James H. Welsh
July 16, 2007
Page 3

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

A handwritten signature in black ink, appearing to read "David L. Smelley". The signature is fluid and cursive, with a large initial "D".

David L. Smelley

-- Attorney for Beusa Energy, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Ms. Linda McGowen (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)

